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Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AGR-20 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 RSC-01 SP-03 STR-08 TRSE-00 SWF-02

CIEP-02 OMB-01 SIL-01 CU-04 DODE-00 PM-07 H-03 L-03

NSC-07 PA-04 PRS-01 SS-20 USIA-15 DRC-01 SCCT-02 /147 W
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P R 181142Z JUN 74
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC PRIORITY 4301
INFO AMEMBASSY TOKYO
CINCPAC

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CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: ELAB, EGEN, PGOV, TH
SUBJECT: POST-MORTEM ON TEXTILE STRIKE

REF: BANGKOK 9809

1. BEGIN SUMMARY. THE SECOND SANYA GOVERNMENT ENDED THE WEEK LONG STRIKE OF A GROUP OF TEXTILE WORKERS AT VIRTUALLY THE ELEVENTH HOUR ON JUNE 14. PERSONAL INTERVENTION WAS REQUIRED BY THE PRIME MINISTER WHO GRANTED NEARLY ALL THE STRIKERS' DEMANDS.

2. THE STRIKING GROUP, ALTHOUGH IT REPRESENTED A SMALL PER-CENTAGE OF ALL TEXTILE WORKERS, BENEFITTED FROM PUBLIC SUPPORT FOR A WAGE INCREASE AS WELL AS FROM ASSISTANCE GIVEN BY STUDENT AND OTHER ACTIVIST ELEMENTS. MOREOVER, ITS SIX DEMANDS WERE POTENTIALLY BENEFICIAL TO ALL WORKERS.

3. MORE IMPORTANT THAN THE ECONOMIC ASPECTS OF THE STRIKE
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SETTLEMENT IS THE POTENTIAL POLITICAL CONSEQUENCES.

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STUDENTS DID ACHIEVE AN UNPRECEDENTED IDENTIFICATION WITH THE WORKERS. POLITICAL RADICALIZATION WAS INCREASED. WORKERS HAVE BEEN PROMISED A NEW ROLE IN LABOR-MANAGEMENT DISPUTES AND ARE VIRTUALLY CERTAIN TO BE GRANTED THE RIGHT TO FORM NATIONAL LABOR UNIONS. END SUMMARY.

4. ALTHOUGH THE SANYA GOVERNMENT MADE A GENEROUS COUNTER-PROPOSAL TO THE TEXTILE WORKERS' SIX DEMANDS, ITS ACTION WAS NEARLY TOO LATE TO AVERT MASSIVE DEMONSTRATIONS THAT WOULD HAVE POSED A SERIOUS THREAT TO THE SECOND SANYA GOVERNMENT'S STABILITY AND ABILITY TO GOVERN (REFTEL).

5. STATED IN STARK TERMS, A RELATIVELY SMALL GROUP OF TEXTILE WORKERS ASSISTED BY A FEW STUDENT AND OTHER ACTIV-ISTS WAS ABLE TO ESCALATE A STRIKE SUPPORTED INITIALLY BY NO MORE THAN A FEW HUNDRED TO A THOUSAND TEXTILE WORKERS INTO AN EFFECTIVE PRESSURE VEHICLE AGAINST THE GOVERNMENT. BEFORE THE DEMONSTRATORS DISPERSED THE PRIME MINISTER HAD TO INTERVENE PERSONALLY TO BRING ABOUT A SETTLEMENT. MORE-OVER, THIS SETTLEMENT WAS WORKED OUT ON THE BASIS OF A CABINET DIRECTIVE IMPLEMENTED BY THE MINISTER OF THE INTERIOR AND MINISTER OF INDUSTRY. LABOR DEPARTMENT OFFICIALS WERE INFREQUENTLY MENTIONED, IN PART AT LEAST BECAUSE THE DEPARTMENT'S TWO TOP OFFICIALS WERE OUT OF THE COUNTRY. INCLUDED IN THE SETTLEMENT WERE AN INCREASE IN THE MINIMUM WAGE FROM 16 TO 20 BAHT PER DAY FOR ALL WORKERS COVERED BY THE LABOR LAW, THE PROSPECT OF EXTENDING THIS INCREASE TO THE ENTIRE COUNTRY, GENEROUS SEVERANCE PAY PROVISIONS, AND UNPRECEDENTED STEPS TAKEN OR PROMISED TO INCREASE THE ROLE OF LABOR IN INDUSTRIAL DISPUTES.

6. WHAT MADE IT POSSIBLE FOR SO FEW TO ACCOMPLISH SO MUCH IN ONE SHORT WEEK? MAJOR FACTORS WERE THE FOLLOWING:

A. THE EVENTS OF OCTOBER AND THE SANYA GOVERNMENT'S COM-PROMISE-INCLINED OPERATING STYLE VIRTUALLY ASSURED THAT THE GOVERNMENT WOULD USE NO FORCE AGAINST THE WORKERS.

B. THE SPONTANEOUS AND DIRECT ACTION TECHNIQUES THAT LABOR USED IN LATE 1973 ACHIEVED VIRTUALLY UNIVERSAL SUCCESS.
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LABOR LEARNED ITS LESSON WELL AND USED SIMILAR TACTICS IN THE TEXTILE STRIKE.

C. AS DURING THE STRIKES OF LATE 1973, THIS TIME TOO THE FEELING WAS WIDESPREAD THAT WAGES (16 BAHT LEGAL MINIMUM PER DAY IN BANGKOK AREA BUT LESS IN THE REST OF THE COUNTRY) WERE TOO LOW IN VIEW OF THE RAPIDLY ESCALATING COST OF LIVING DURING 1974. THE COST OF LIVING INDEX HAS INCREASED BY

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ROUGHLY THREE PERCENT A MONTH FROM JANUARY THROUGH APRIL.

D. THE ORGANIZERS OF THE STRIKE PRESENTED ONLY SIX DEMANDS. BUT ALL OF THESE APPLIED NATION-WIDE IN FACT OR IN PROMISE, TO ALL INDUSTRIAL WORKERS, AND WERE NEVER CONFINED ONLY TO TEXTILE WORKERS. THE STRIKE, THEREFORE, HAD WIDE POTENTIAL APPEAL EVEN THOUGH ONLY TEXTILE WORKERS WERE INVOLVED, AND THESE OVERWHELMINGLY YOUNG FEMALES.

E. THE STRIKE WAS DIRECTED AGAINST THE GOVERNMENT FROM THE VERY BEGINNING AND NOT AGAINST THE EMPLOYERS. UNDER THE HIGHLY CENTRALIZED ROYAL THAI GOVERNMENT, NATIONAL LAW REGULATES VIRTUALLY ALL ASPECTS OF LABOR-MANAGEMENT RELATIONS. THE LAW ESTABLISHES THE SEVERANCE PAY PROVISIONS AS WELL AS THE MINIMUM WAGE; THE LAW LAYS DOWN THE CONDITIONS FOR ESTABLISHING LABOR ASSOCIATIONS (ONLY PERMITTED SINCE THE SPRING OF 1973), AND THE LAW ENFORCES SEVERE LIMITATIONS ON THEM. FOR EXAMPLE, NATIONAL UNIONS ARE PROHIBITED, AS IS INDUSTRY-WIDE COLLECTIVE BARGAINING, UNLESS THE INDUSTRY IS LIMITED TO ONE PROVINCE.

F. THE VERY LABOR LAW THAT GIVES LABOR THE RIGHT TO FORM ASSOCIATIONS ALSO ASSURES THAT IT WILL BE KEPT WEAK AND FRAGMENTED, AS INDICATED UNDER E. AS A RESULT, THERE IS IN REALITY NO LABOR LEADER WHO CAN SPEAK WITH AUTHORITY FOR THE INDUSTRIAL WORKERS, AND NOT EVEN ONE FOR THE TEXTILE WORKERS. THUS, WHILE THE STRIKE LEADERS WERE DEMANDING 25 BAHT PER DAY, THE PUTATIVE SPOKESMAN FOR THE 34 LABOR ASSOCIATIONS IN THAILAND PUBLICLY LABELLED THAT AMOUNT AS TOO MUCH. ON JUNE 14 TWO WORKER REPRESENTATIVES APPEARED ON NATIONAL RADIO WITH THE PRIME MINISTER AT 1230 HOURS TO SUPPORT THE GOVERNMENT'S COUNTER-OFFER OF 20 BAHT PER DAY, AND TO JOIN THE PM IN ASKING THE STRIKERS TO DISPERSE.
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STRIKE LEADERS CONTINUED TO DEMAND 25 BAHT PER DAY FOR AT LEAST THREE MORE HOURS BEFORE GIVING UP.

G. DESPITE PRESS REPORTS THAT GAVE PUBLICITY TO THE MORE DRAMATIC ACTIONS OF THE VARIOUS ACTIVIST STUDENTS AND WORKERS, IT WAS APPARENT UNTIL THE AFTERNOON OF THE VERY LAST DAY THAT THERE WAS NO OUTPOURING OF SUPPORTERS FROM EITHER THE UNIVERSITIES OR THE FACTORIES. TO ENCOURAGE LARGER PARTICIPATION, ACTIVISTS COMMANDEERED BUSES AND USED THEM TO RAM LOCKED FACTORY GATES TO APPEAL TO THE WORKERS INSIDE TO JOIN THE STRIKERS ("BANGKOK POST" SPECIAL ARTICLE OF JUNE 15 ON THE STRIKE STATED 20 BUSES AND FOUR TRUCKS WERE SEIZED). STRIKE LEADERS ALSO MANAGED TO OBTAIN VEHICLES WITH PUBLIC ADDRESS SYSTEMS, AND ORGANIZED THE DISTRIBUTION OF LEAFLETS.

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LAB-06 NSAE-00 RSC-01 SP-03 STR-08 TRSE-00 SWF-02

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NSC-07 PA-04 PRS-01 SS-20 USIA-15 DRC-01 SCCT-02 /147 W
---------- 063431
P R 181142Z JUN 74
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC PRIORITY 4302
INFO AMEMBASSY TOKYO
CINCPAC

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H. IN ADDITION TO THE TEXTILE WORKERS' RELATIVELY LOW PAY, THEY FACED THREATS OF SUBSTANTIAL REDUCTIONS IN FORCE BECAUSE OF THE GROWING DIFFICULTIES IN THE TEXTILE INDUSTRY. AGAINST A RECENT BACKGROUN OF PHENOMENAL GROWTH, SALES IN 1974 ARE DROPPING SHARPLY IN BOTH THE DOMESTIC AND FOREIGN MARKETS. THE DOMESTIC CAUSE HAS BEEN THE SLOWING OF ECONOMIC EXPANSION; DECLINING SALES ABROAD RESULT IN PART FROM MORE EFFECTIVE COMPETITION FROM OTHER SUPPLIERS.

I. ALTHOUGH THIS PHENOMENAL GROWTH OF THE TEXTILE INDUSTRY HAS BROUGHT THE ECONOMIC BENEFITS OF SHARPLY INCREASED EMPLOYMENT OPPORTUNITIES AND ECONOMIC EXPANSION, IT HAS ALSO INCREASED THE VULNERABILITY OF LARGE NUMBERS OF NEW INDUSTRIAL WORKERS AND EMPLOYERS TO ECONOMIC FLUCTUATIONS AT HOME AND ABROAD. THAILAND'S TEXTILE CAPACITY GREATLY EXCEEDS ITS DOMESTIC NEEDS, AND NEITHER THE GOVERNMENT NOR THE EMPLOYERS IS ABLE TO CONTROL, OR EVEN SIGNIFICANTLY INFLUENCE, THE DEMAND FOR THIS SURPLUS. MOREOVER, THE GROWTH OF THE TEXTILE INDUSTRY HAS BROUGHT MASSES OF YOUNG

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WORKERS TOGETHER IN LARGE NUMBERS FOR THE FIRST TIME IN THAI HISTORY. MANY WORKERS LIVE AT THE MILLS, WHICH INTENSIFIES THEIR ASSOCIATIONS.

J. THE IMMEDIATE CAUSE OF THE STRIKE WAS THE EMPLOYERS' ACTION TO REDUCE OUTPUT BY 25 PERCENT TO ALIGN IT MORE NEARLY WITH DEMAND. THIS STEP RAISED THE THREAT OF CORRESPONDING REDUCTIONS IN THE WORK FORCE. THE GOVERNMENT RESPONDED AT ITS CABINET MEETING ON JUNE 3 BY DIRECTING A REPRESENTATIVE FROM THE MINISTRY OF INDUSTRY AND FROM THE LABOR DEPARTMENT OF THE MINISTRY OF INTERIOR TO MEET WITH THE EMPLOYERS AND WORKERS. THE MEETINGS INCLUDED REPRESENTATIVES FROM THE THAI TEXTILE MANUFACTURERS ASSOC, THE LABOR DEPT, AND, FOR SOME REASON THAT IS NOT YET CLEAR, THE SEA TRANSPORT WORKERS' ASSOCIATION, BUT NONE FROM THE TEXTILE WORKERS' ASSOCIATIONSS. THE DEPUTY MINISTER OF INDUSTRY OBTAINED THE AGREEMENT OF 24 MAJOR TEXTILE MILLS NOT TO DISMISS ANY WORKERS BECAUSE OF THE PRODUCTION CUTBACK, NOR TO REDUCE THEIR WAGES. HOWEVER, THE SMALLER MILLS WERE NOT INCLUDED.

K. DESPITE THIS AGREEMENT THAT APPLIED TO THE LARGER MILLS, AND THAT ACCOUNTED FOR THE BULK OF THE TEXTILE WORKERS, SEVERAL HUNDRED WORKERS FROM THE SMALLER MILLS WENT ON STRIKE AND MOVED INTO BANGKOK. AT THIS STAGE THE GOVERNMENT DIRECTED THE MINISTER OF INDUSTRY AND THE MINISTER OF INTERIOR TO WORK OUT A SETTLEMENT. MINISTERIAL LEVEL MEETINGS WERE HELD WITH REPRESENTATIVES OF THE WORKERS, THE PRECISE IDENTITY OF WHOM REMAINS UNCLEAR. BY JUNE 13 THE GOVERNMENT'S OFFER WAS ANNOUNCED. ALTHOUGH IT GRANTED MOST OF THE WORKERS' DEMANDS, THE LATTER WERE SPLIT OVER THE 20 BAHT MINIMUM WAGE, AS REPORTED IN REFTEL. NEVERTHELESS, AFTER THE PRIME MINISTER'S PERSONAL INTERVENTION ON JUNE 14 VIA A RADIO ADDRESS, TOGETHER WITH THE TWO WORKERS' REPRESENTATIVES, THE STRIKE ENDED.

6. COMMENT:

A. THE WAGE INCREASES AND SEVERANCE PAY BENEFITS WON BY THE WORKERS WILL INCREASE THE COST OF LABOR AND CONSEQUENTLY OF PRODUCTION IN THAILAND. HOWEVER, THE SIGNIFICANCE WILL

VARY BY INDUSTRY BUT GENERALLY SHOULD NOT BE A HEAVY BURDEN.

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OF FAR GREATER IMPORTANCE THAN THE ECONOMIC CONSEQUENCES WILL BE THE UNPRECEDENTED (FOR THAILAND) PROMISE OF LABOR PARTICIPATION IN NEW MACHINERY TO SETTLE LABOR-MANAGEMENT DISPUTES AND OF CHANGES IN THE LABOR LAW TO PERMIT THE FORMATION OF NATIONAL UNIONS. MORE DETAILED INFORMATION WILL BE PROVIDED AS SOON AS THE OFFICIAL TEXTS BECOME AVAILABLE. FROM PUBLIC STATEMENTS ALREADY MADE BY DR. PUAI UNGPHAKON (CHAIRMAN OF GOVERNMENT COUNCIL OF ECONOMIC ADVISORS), IT IS CLEAR THAT HE WILL SUPPORT THESE DEVELOPMENTS, INCLUDING AN INCREASE IN THE MINIMUM WAGE TO 25 BAHT PER DAY.

B. ALTHOUGH THERE WAS NO MASS STUDENT ACTION TO SUPPORT THE STRIKE, VARIOUS REAL AND PSEUDO STUDENT ACTIVISTS, WHETHER AUTHORIZED BY THEIR RESPECTIVE ORGANIZATIONS OR NOT, MANAGED TO ACHIEVE AN UNPRECEDENTED DEGREE OF SOLIDARITY WITH THE STRIKERS. THEY CAN RIGHTLY CLAIM A SHARE IN THE SUCCESSFUL OUTCOME. BY CONTRAST, WORKERS STRIKING IN LATE 1973 REBUFFED STUDENT EFFORTS TO COALESCE WITH THEM.

C. THE WORKERS ACHIEVED A GREATER DEGREE OF POLITICAL CONSCIOUSNESS. STUDENT ACTIVISTS AND SOME WORKER REPRESENTATIVES ALSO MANAGED TO WIN PUBLICITY FOR CHARGES OF ECONOMIC IMPERIALISM (THE TEXTILE INDUSTRY IS LARGELY FOREIGN OWNED) AND FOR CAPITALIST EXPLOITATION OF THE WORKERS. AS A RESULT, CLASS CONSCIOUSNESS IS LIKELY TO INCREASE. GREATER WORKER MILITANCE WILL PROBABLY CHARACTERIZE FUTURE LABOR-MANAGEMENT DISPUTES.

D. THE WEAKNESSES OF THAILAND'S HIGHLY CENTRALIZED SYSTEM OF GOVERNMENT IN DEALING WITH EMERGENCIES HAS BEEN EXPOSED ANEW. THE SYSTEM ENCOURAGES THE ESCALATION OF VIRTUALLY ALL MATTERS OF IMPORTANCE TO THE CABINET LEVEL, AND THE CABINET HAS NO EFFECTIVE ALTERNATIVE TO THE COMMITTEE SYSTEM FOR RESOLVING THEM. ALTHOUGH SANYA HAS INHERITED THIS SYSTEM, HIS OWN PHILOSOPHICAL BENT AND METHOD OF GOVERNING ALSO ENCOURAGE THIS FORM OF RESOLUTION, INCLUDING HIS PERSONAL INVOLVEMENT IN IT.

E. FUTURE ISSUES ARE UNLIKELY TO BE RESOLVED SHORT OF
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THE CRISIS STAGE. MOREOVER, THEY WILL ALMOST CERTAINLY BE RESOLVED LARGELY IN FAVOR OF THE MILITANT PARTY, BE IT LABOR, OR STUDENTS, OR TEACHERS OR WHOEVER. THE SANYA GOVERNMENT'S TENDENCIES TO CAVE IN UNDER PRESSURE CAN ONLY INVITE MORE GROUPS TO MOUNT PRESSURE IN SUPPORT OF THEIR GRIEVANCES, PARTICULARLY OVER ECONOMIC ISSUES. THIS SITUATION CREATES THE DISTINCT DANGER THAT VARIOUS GROUPS WILL BURDEN THE GOVERNMENT WITH INCREASINGLY UNREASONABLE DEMANDS, THE MEETING OF

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WHICH WILL CAUSE SERIOUS REPERCUSSIONS THROUGHOUT THE SOCIETY. IF PUBLIC DEMANDS AND GOVERNMENT ACQUIESCENCES GET OUT OF HAND, THE SPECTER ARIES THAT THE MILITARY WILL WANT TO STEP IN TO CONTROL THE SITUATION. WE CANNOT STATE ON THE BASIS OF ONE STRIKE THAT SANYA'S NEW GOVERNMENT IS IN FOR A SERIES OF SIEGES, BUT THE RTG MAY HAVE SET PRECEDENTS FOR CONCESSIONS THAT ITWILL FIND HARD TO REVERSE IN FUTURE CONFRONTATIONS.
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